

DEBORAH SENN
STATE INSURANCE COMMISSIONER

MARK M. McDERMOTT
CHIEF DEPUTY

STATE OF WASHINGTON



OFFICE OF
INSURANCE COMMISSIONER

OLYMPIA OFFICE:
INSURANCE BUILDING
P.O. BOX 40255
OLYMPIA, WA 98504-0255
Phone: (206) 753-7300

BULLETIN

No. 93 - 2

November 10, 1993

Subject: GROSS CREDIT LIFE INSURANCE—ORDER WITHDRAWING CERTAIN FORMS

Attention: Credit Life Insurers

RCW 48.34.060 applies to credit life insurance under a group policy, and prohibits gross coverage. Unfortunately, several insurers are writing group insurance to cover the gross indebtedness of the loan, in violation of the statute. The practice must stop. Only net credit life insurance is allowed under group policies.

To correct this situation, you are hereby notified that no new group credit life insurance policy form which provides gross coverage will be approved by this Office. Further, pursuant to RCW 48.18.210(1)(a), it is ORDERED that the previous approval of each such form is hereby withdrawn, effective January 31, 1994.

Beginning February 1, 1994, any insurer issuing gross credit life insurance under a group policy will place its certificate of authority in jeopardy and subject itself to possible fines and severe penalties for its failure to comply with the requirements of chapter 48.34 RCW and the foregoing Order.

For clarification, this Bulletin pertains to group credit life insurance, only. The amount of coverage allowable under an individual credit life insurance policy is governed by RCW 48.34.050, which permits gross coverage.

We request that each insurer which writes group credit life insurance in this state acknowledge its receipt of this Bulletin in writing by December 31, 1993, and advise if it has any policy form that will be withdrawn pursuant to the foregoing order.

Thank you for your cooperation.

DEBORAH SENN.
Insurance Commissioner